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EXEMPTING EDUCATIONAL INSTITUTIONS FROM TAXATION

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EXEMPTING EDUCATIONAL INSTITUTIONS FROM TAXATION.

Senate Constitutional Amendment 15 adding section 1a to article XIII of constitution.

Exempts from taxation buildings, grounds within which same are located not exceeding one hundred acres, equipment, securities and income used exclusively for educational purposes, of any educational institution of collegiate grade within this state not conducted for profit.

Senate Constitutional Amendment No. 15, a resolution to propose to the people of the State of California an amendment to the Constitution of the State of California by adding a new section to said constitution to be numbered section one a of article thirteen thereof, relating to exempting certain property of educational institutions of collegiate grade from taxation.

The legislature of the State of California at its regular session, commencing on the sixth day of January in the year nineteen hundred thirteen, two thirds of all the members elected to each of the two houses of the said legislature voting in favor thereof, hereby proposes to the qualified electors of the State of California, the following amendment to the Constitution of the State of California, by adding a new section thereto to be numbered one a of article thirteen thereof, to read as follows:

PROPOSED LAW.

Section 1a. Any educational institution of collegiate grade, within the State of California, not conducted for profit, shall hold exempt from taxation its buildings and equipment, its grounds within which its buildings are located, not exceeding one hundred acres in area, its securities and income used exclusively for the purposes of education.

ARGUMENT IN FAVOR OF SENATE CONSTITUTIONAL AMENDMENT NO. 15.

First—Every state in the union, except California, exempts college property from taxation. California should not be the only state to discourage the investment of private capital in higher education. In all other states the income from benefactions to colleges may be used wholly for the purpose for which such benefactions are made; here it must be in part diverted to such objects as road building and the lighting of streets. Thus California suffers a distinct disadvantage with patrons of education, such as the great philanthropic boards of the East. The state should assure outsiders desiring to make gifts for education in California that every dollar will be used for the purpose intended.

Second—The various colleges of the state are performing a service of the highest importance, at a cost far in excess of the amount derived from tuition. The state should not add the burden of taxation to their other expenses, which are met by endowment and by private gifts.

Third—California has already by special constitutional amendments exempted some schools from the taxation of their educational "plants," such as Stanford University, and Cogswell Polytechnical College in San Francisco. The proposed amendment will abolish discrimination, treating all colleges alike.

Fourth—The proposed amendment will not take a dollar from the state treasury itself, since the state revenues are no longer derived from the general property tax. This amendment merely enables the localities where colleges are situated, and which therefore receive the chief benefit from them, to exempt them from taxation.

Fifth—The total cost of this proposed policy is insignificant. The taxes paid in 1912-1913 by all the institutions known to be affected by this amendment amounted to only \$20,976, a sum wholly inconsiderable from the standpoint of county and city government, but imposing a heavy burden on the slim financial resources of the colleges.

Sixth—The amendment as drawn is carefully safeguarded against possible abuse by the following limitations:

(a) It exempts only institutions of collegiate grade.

(b) Such institutions can not be conducted for profit. Any institution receiving an income from students in excess of its expenses would be excluded from exemption.

(c) The exempt property is limited to buildings, equipment, and grounds, with securities and income, "used exclusively for the purposes of education." Real estate held for investment or revenue will be taxed just as at present, only the educational "plant" actually in use being exempt from taxation.

(d) The land which a college will hold exempt as constituting its "campus" is limited to 100 acres, thus preventing the abuse of the law by an institution holding large areas ostensibly as "campus" but actually for investment and profit.

Seventh—So thoroughly convinced were the lawmakers that this amendment is right and fair that it passed the last legislature with but one dissenting vote in either chamber.

A. E. CAMPBELL,
State Senator Seventeenth District.

LEE C. GATES,
State Senator Thirty-fourth District.

EXEMPTING VESSELS FROM TAXATION.

Senate Constitutional Amendment 17 adding section 4 to article XIII of constitution.

Exempts from taxation until and including January 1, 1933, except for state purposes, all vessels over 50 tons burden, registered at any port in this state and engaged in transportation of freight or passengers.

Senate Constitutional Amendment No. 17, a resolution proposing to the people of the State of California, an amendment to the Constitution of the State of California, by adding a new section to article XIII thereof, to be designated as section four of said article XIII of the Constitution of the State of California, relating to the exemption of vessels engaged in commerce from taxation.

Resolved by the senate, the assembly concurring, That the legislature of the State of California, at its regular session, commencing on the sixth day of January, nineteen hundred thirteen, two thirds of all the members elected to each of

the houses of said legislature voting in favor thereof, hereby proposes to the electors of the State of California, that a new section be added to article XIII of the Constitution of the State of California, to be known and designated as section four of article XIII of the Constitution of the State of California, and to read as follows:

PROPOSED LAW.

Section 4. All vessels of more than fifty tons burden registered at any port in this state and engaged in the transportation of freight or passengers, shall be exempt from taxation except for

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